

The President's Daily Brief

21 November 1973

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PRINCIPAL DEVELOPMENTS

A former Lebanese prime minister reports that his recent swing through Egypt, Saudi Arabia and Kuwait convinced him that all three countries are now eager for peace. (Page 1)

The Netherlands is trying to repair its ties with the Arab states and is pressing fellow EC members to help mitigate the effects of the oil boycott. (Page 2)

Qadhafi will spend five days in Paris following his current talks in Belgrade. He apparently is shopping for military hardware and aid. (Page 3)

Bhutto's recent strong warnings against Afghan pressure have further embittered Pakistan's relations with Kabul. (Page 4)

Notes on a Brazilian-Algerian oil deal and the Soviet Union's difficulties with its A-class submarine appear on Page 5.

FOR THE PRESIDENT ONLY

ARAB STATES - ISRAEL

Former Lebanese prime minister Saeb Salaam told Ambassador Buffum yesterday that his recent two-week swing through Egypt, Saudi Arabia, and Kuwait convinced him that a "revolutionary" change had occurred in the outlook toward Israel. Leaders in all three countries consider their honor vindicated by last month's war, and are now eager for peace. He reported that even some extremist fedayeen chiefs seem to share this view. Salaam warned, however, that a failure in the current effort to achieve a durable peace would trigger an Arab backlash that might include renewing the war.

Palestine Liberation Organization chairman Arafat has privately stated that the PLO will demand that a separate Palestinian delegation be seated at any peace conference once it takes up the Palestinian question.

of such a conference, which he expected would focus on Israeli withdrawal to its 1967 borders.

pates that by the time the conference turns to the future of Palestine, the Palestinians will have formed a provisional government. Its representatives would plan to press for Palestinian self-determination and a return of refugees to their original homes.

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NETHERLANDS

The Dutch government is trying to re-establish a dialogue with the Arab states and is pressing the EC members to help mitigate the effects of the oil boycott. On Monday the Foreign Ministry submitted a White Paper to parliament designed mainly to convince the Arabs that The Hague has an even-handed policy on the Middle East. The document reiterates support for UN Resolution 242 and mentions the need to give some satisfaction to the Palestinians' political aspirations. The paper invites representatives of Arab oil-producing states to The Hague to discuss differences.

Drafting the document was painful for the generally pro-Israeli Dutch. The paper in effect admits that their diplomatic efforts have failed to budge the Arab states. Charges of ineptitude by the government's own left wing as well as the opposition have helped produce the shift. In addition, three Arab states have begun a boycott against KLM and are threatening to extend it to Dutch shipping.

Dissatisfaction with the EC reaction has prompted parliamentary deputies from several parties to suggest retaliation against neighboring countries. Prime Minister den Uyl, in fact, has warned that if the EC members refuse to share their oil, the Netherlands may ban exports of natural gas to them. More cautiously, the Foreign Ministry has warned the EC that the ministerial meeting in Copenhagen this week must produce concrete results.

Some crude oil apparently still is passing through the Netherlands, but the Arab states have established a monitoring team to ensure that no shipments are diverted to Dutch refineries.

LIBYA

President Qadhafi has decided to follow his current talks in Belgrade with a five-day visit to Paris. Judging from the composition of his delegation, Qadhafi is shopping for military hardware and assistance in exchange for assurances of oil supplies. Libya's intransigence on the Middle East is probably the main focus of his discussions in both capitals.

This is Qadhafi's first trip outside the Arab world since he took power in 1969. Until now, he has been apprehensive about leaving the Middle East and has always sent Prime Minister Jallud to represent Libya in Europe. Qadhafi's decision to venture forth at this point may reflect his determination to present personally his militant position on the Arab-Israeli issues.

The trip may also be designed to underscore his low regard for current peace efforts. Qadhafi reportedly will wind up his stay in France with a major press conference on November 26, the date set for the Arab summit in Algiers. He presumably hopes to upstage the summit, which he recently denounced as a facade for rubber-stamping decisions already made in Cairo.

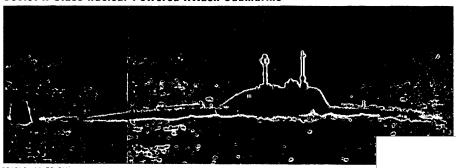
AFGHANISTAN-PAKISTAN

Prime Minister Bhutto's remarks during his recent tour of tribal areas near the Afghan border have further embittered relations with Kabul. Although there are differing versions of what Bhutto said, he clearly used strong language to warn the Afghans against putting additional pressure on Pakistan. Officials in Kabul characterize his remarks as "completely unacceptable" and "deliberately provocative."

According to a Pakistani Foreign Ministry official, Bhutto has concluded that a policy of "restraint" has only encouraged Afghan provocations, and that the time has come to remind Kabul that Pakistan will not tolerate interference in its domestic affairs. The official cited Afghanistan's stepped-up anti-Pakistan propaganda and personal attacks on Bhutto, a marked increase in the number of Afghan agents in contact with Pakistani tribes, and Kabul's support for an exiled opposition leader alleged to be organizing a tribal insurrection.

The exchange of insults and other provocations is likely to continue. Neither country wants an armed confrontation, but the chances for miscalculation or overreaction become greater as tensions rise.

Soviet A-Class Nuclear-Powered Attack Submarine



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NOTES

Brazil-Algeria: Brazil is taking steps to ensure continued access to oil from the Arab countries, its chief source of supply. The Medici government has agreed to invest over \$30 million in oil exploration activities in Algeria during the next four years in return for one million tons of Algerian crude oil per year. Brazil also has recently negotiated concessions for oil exploration and development in Egypt and Iraq as well as long-term supply contracts with Saudi Arabia and other Arab countries.

USSR: Difficulties continue with the Soviet Union's A-class nuclear-powered attack submarine, only one of which has been built.

the A-class shows that it has been cut in half with only the stern section in evidence in a drydock at Severodvinsk. The A-class appears to have run into a series of undetermined problems since it was launched in 1969. Evidence suggests, however, that the Soviets are continuing attempts to make it operational.

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